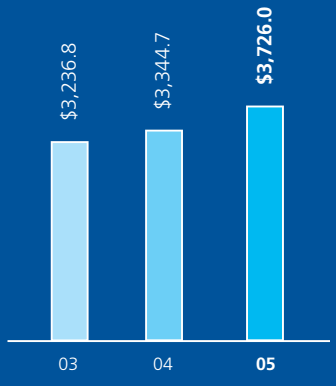
We deliver... every day.

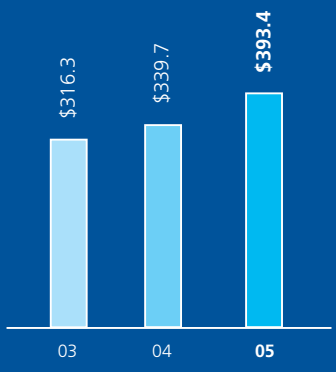
PEPSI AMERICAS

2005 ANNUAL REPORT

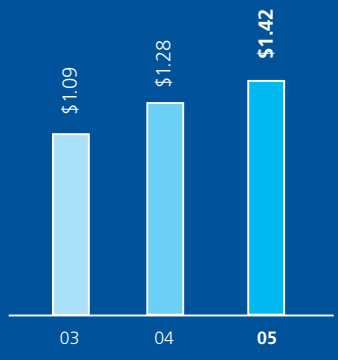
Every day PepsiAmericas goes above and beyond to be our customers' best direct supplier of exciting beverage and fun food brands. Our success is built on an expanding portfolio of dynamic brands, consistent and superior execution, and a customer-focused and cost-effective supply chain. Of course, our engaged and capable employees create value each day, within a culture of accountability, integrity, respect, teamwork and passion. Simply put, **we deliver … every day.**



Worldwide Net Sales
(in millions)



Worldwide Operating Income
(in millions)



Diluted Earnings Per Share

FINANCIAL HIGHLIGHTS

(dollars in millions, except per share data)

	REPORTED	
SUMMARY OF OPERATIONS	**2005**	2004
Net sales	**$ 3,726.0**	$ 3,344.7
Operating income	**393.4**	339.7
Net income	**194.7**	181.9
Net income per share — diluted	**$ 1.42**	$ 1.28
PERCENT OF SALES		
Gross profit	**41.9%**	42.5%
Selling, delivery and administrative expenses	**31.8%**	32.3%
Operating margin	**10.6%**	10.2%
KEY FINANCIAL COMPONENTS		
Cash and cash equivalents	**$ 116.0**	$ 74.9
Working capital, excluding short-term debt	**166.6**	150.4
Total assets	**4,053.8**	3,529.8
Short-term debt	**290.4**	142.0
Long-term debt	**1,285.9**	1,006.6
Total shareholders' equity	**1,569.3**	1,623.2

*Non-GAAP Financial Measures
In addition to the GAAP financial measures provided in this Annual Report to Shareholders, we have also provided certain non-GAAP financial measures, which include adjusted operating cash flow and adjusted return on invested capital. The impact of accounts receivable securitization was a decrease in adjusted operating cash flow of $92.3 million in 2003, and an increase of $100.0 million in 2004. There was no impact in 2005. For additional information including a reconciliation from GAAP financial measures to non-GAAP financial measures, please review the Non-GAAP Financial Measurements section located at the end of this report.

Dear Fellow Shareholders

Over the last five years, PepsiAmericas has built a company that fosters innovation, embraces change, and works smarter to deliver shareholder value.

ROBERT C. POHLAD
Chairman of the Board
and Chief Executive Officer

The plan was straightforward in 2005: to continue the strength and consistency of our performance. What looked basic on the surface, however, was achieved through resilience, flexibility and determination.

In many ways, 2005 was a remarkable year — both for its headlines as well as for its quiet stability.

When Hurricane Katrina hit at the end of summer, we had our Louisiana manufacturing facility up and running within days of the flooding. We delivered water to relief agencies and sent much-needed product to our customers. Time and again, our people showed compassion for their colleagues and passion for this business, going above and beyond to ensure our employees, customers and communities recovered. That is the essence of our commitment: **"We deliver… every day."**

We have built a track record of consistent growth. At the end of 2004, we were crystal clear about our priorities: reestablish volume growth, moderately increase pricing, invest strategically, and continue to generate strong cash flow. In 2005, we did just that.

- We delivered volume growth of 6.5 percent, driven by the successful integration of Central Investment Corporation (CIC) and good volume contribution from our international operations.
- We delivered increased net selling price of 3.9 percent, which lead to net sales of more than $3.7 billion.
- We delivered adjusted return on invested capital* of 7.7 percent, an increase of 40 basis points.
- We delivered strong adjusted operating cash flow* of over $240 million.
- And finally, we delivered this cash to you, our shareholders, through increased dividends and share repurchases.

With top line growth as a clear focus, PepsiAmericas delivered. We realigned our selling initiatives behind non-carbonated beverages and saw this dynamic and growing category increase 16 percent from last year. We leveraged our scale to introduce new categories to our customers, increasing the non-carbonated category mix to 14 percent of our portfolio, up from 12 percent in 2004.

With so much focus on the growing non-carbonated segment of the liquid refreshment beverage category, it's possible to forget that carbonated soft drinks still account for 86 percent of our portfolio. PepsiAmericas has built dominant brands, with either the No. 1 or No. 2 share position with Pepsi, Mountain Dew, Aquafina, Tropicana and our energy line-up. And we intend to keep it that way.

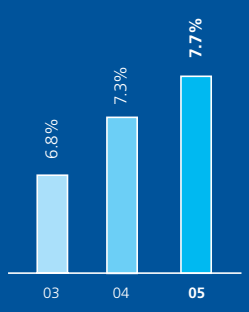
And while the U.S. represents 85 percent of our revenue, we know that our future growth will come increasingly from international markets.

We expanded in 2005, effectively integrating our new CIC territories. CIC has proven to be a prudent acquisition, contributing meaningful top line growth and operating profit to PepsiAmericas in its first year.

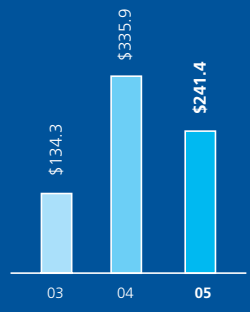
We broadened our international portfolio. In early 2005, we began distributing Frito Lay snacks in Hungary, learning from the prior year rollout in the Czech Republic. In June, we signed an agreement with the Romanian Pepsi bottler to acquire nearly half of their stock with an option to become a bigger shareholder in the future. In the following month, our Polish team completed a deal to become the sole distributor for Beck's beer in Poland.

"Our continued success rests on our ability to maintain the long-standing strength and dominance of our Pepsi and Mountain Dew trademarks, and translate that dominance to the breadth of our portfolio and those products that are increasingly the choice of our consumers."

— Robert C. Pohlad



Adjusted Return on Invested Capital*



Adjusted Operating Cash Flow*
(in millions)

*Please review our note regarding non-GAAP financial measures on the inside front cover of this report.

While these deals may seem small on their own, they reflect an evolution within PepsiAmericas that more fully utilizes our assets and capability for greater growth.

The entire organization did a tremendous job of managing costs in 2005. Faced with higher raw material and transportation costs, we found new and creative ways to reduce the number of miles driven, increase drop sizes, and optimize our supply chain.

Internationally, we continued to take costs out of the system by consolidating production facilities in Central Europe and blowing our own bottles in Puerto Rico to streamline the production process.

As an organization we are flexible and nimble. We have demonstrated our ability to adjust and respond to a changing marketplace, higher raw material and fuel costs, as well as Mother Nature.

These strategies paid off for PepsiAmericas. Operating income rose 15.8 percent versus the prior year to $393.4 million. For the year, net income was $194.7 million, or diluted earnings per share (EPS) of $1.42. EPS was up almost 11 percent from 2004.

Looking ahead, we're confident in our ability to continue to deliver value. We know that continuing to increase shareholder value is dependent upon stronger revenue growth from an improved balance between volume growth and pricing strength. It rests on our ability to maintain the long-standing strength and dominance of our Pepsi and Mountain Dew trademarks, and translate that dominance to the breadth of our portfolio and those products that are increasingly the choice of our consumers. Focusing on cost control and leveraging our assets to maintain our strong cash flow and continuing the steady improvement in our return on invested capital are ongoing and important objectives.

Strategically, we will look to further strengthen our position within the Pepsi system and our industry as we continue to source longer-term growth. We will continue to meet the expectations of our customers by evolving our go-to-market system, while concurrently anticipating and satisfying the tastes of our consumers through an even more robust portfolio of products. Our growth plans are consistent with the lifestyle, refreshment and wellness focus to which the Pepsi system is committed.

It is my belief that PepsiAmericas is a special organization. We have great products and a strong partnership with PepsiCo, one of the world's leading consumer product companies. However, what makes PepsiAmericas truly special is the quality of our people. Their support and participation in a culture built on responsibility and doing things the right way is the foundation of our success.

We are committed to executing our plans in 2006 and the strategy necessary to exceed the expectations of the people we work for, you, our shareholders. You have my commitment that we will continue to **deliver … every day.**

ROBERT C. POHLAD
Chairman of the Board and Chief Executive Officer
March 7, 2006

PepsiAmericas' Domestic Operations had the right combination of pricing, innovation, productivity and an acquisition making 2005 a successful year.

ALEXANDER H. WARE
Executive Vice President and Chief Financial Officer (left)

KENNETH E. KEISER
President and Chief Operating Officer (right)

We delivered. Net sales grew 11.7 percent, while gross profit dollars increased 11.4 percent. In a challenging cost environment, we delivered operating profits of $387.7 million, up 16.7 percent. Operating income in 2005 included a net benefit of $10.5 million from proceeds received from the high fructose corn syrup settlement partially offset by facility relocation costs.

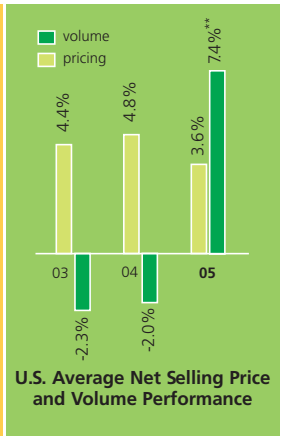
PepsiAmericas made meaningful acquisitions, in a big and small way. In January of 2005, we acquired the seventh-largest Pepsi bottler in the country, Central Investment Corporation (CIC). The investment provided both a contiguous Ohio territory in our heartland base, as well as access to the high-growth Florida market. We've been able to integrate our systems and processes to reduce costs and drive greater volume and market share. CIC contributed over $30 million in operating income for PepsiAmericas, driving $0.06 diluted earnings per share in the first year.

In January of this year, we announced the acquisition of Ardea Beverage Company, maker of airforce Nutrisoda. Although small, it shows our commitment to bring variety and excitement to our customers and consumers, with a great tasting product that complements our growing portfolio of healthier beverages.

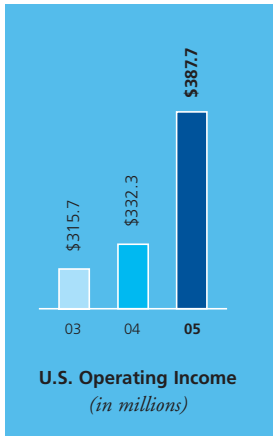
PepsiAmericas expanded operating margins. Top line momentum and continued focus on costs drove solid financial results. In a year of significantly higher commodity and fuel costs, and a carbonated soft drink (CSD) category that is under pressure, demonstrating flexibility was paramount. We accelerated growth in our non-carbonated category, and continued to generate strong pricing and single-serve growth. Our core trademarks — Pepsi, Mountain Dew, Sierra Mist and Aquafina — remain key to our strength.

Innovation is integral to achieving overall category growth. We continue to look for ways to bring excitement and variety to our consumers. In the CSD category, we introduced Tropicana Twisters and Pepsi Lime; both brands generated widespread trial and repeat purchases. Cherry Vanilla Dr. Pepper also had great success in the marketplace. At the same time, our broad portfolio of diet CSDs, which has a loyal base of consumers, continued to offer greater choice with expanded flavor offerings, including Wild Cherry Diet Pepsi.

Innovation and expanded in-store presence also helped us grow our non-carbonated category volume more than 16 percent in 2005. The introduction of Aquafina FlavorSplash and Lipton Iced Tea contributed to volume growth, while Starbucks Frappuccino reached double-digit growth. This consumer appeal continues with the introduction of Starbucks Strawberries 'n Cream in 2006. In the high-growth energy category, Mountain Dew AMP, SOBE Adrenaline Rush, and SOBE No Fear continue to be important to our overall beverage category growth. The non-carbonated category now comprises over 14 percent of our overall portfolio and is expected to become an increasingly important contributor over the next several years.



U.S. Average Net Selling Price and Volume Performance



U.S. Operating Income
(in millions)

** Volume on a reported basis including newly acquired territories. On a constant territory basis volume was flat.

Single-serve continues to be a driver of our domestic profit performance. Strong execution, as well as innovation, drove a 3 percent increase in our single-serve business. We increased market penetration in those channels where we already had an established presence, and we accelerated growth with bottles-to-go in our on-premise channel.

We continue to look for ways to meet our customers' needs in a cost efficient manner. In 2005, we increased drop sizes and reduced the number of routes our fleet services. At the same time, we raised our service levels and reduced costs as additional customers migrated to our call center in Fargo, North Dakota. Productivity is a key element to deliver consistent sustainable growth, and helped to expand our operating margins in 2005.

PepsiAmericas looks ahead. Balanced top line growth is our priority in 2006. Our strategy includes growing our non-carbonated mix at a rate substantially greater than in past years. Our commitment to the non-carbonated category is the most significant new initiative relative to our marketing plan. It centers on innovation, marketing resources and production capacity.

In 2006, we are rolling out PET package innovation behind Lipton, Tropicana and FlavorSplash, and we will maintain a full-year marketing calendar to accelerate non-carbonated growth. We will do this by investing in non-carbonated distribution and cold-vault space, and sustaining an innovation pipeline to expand category segments and broaden users of our products.

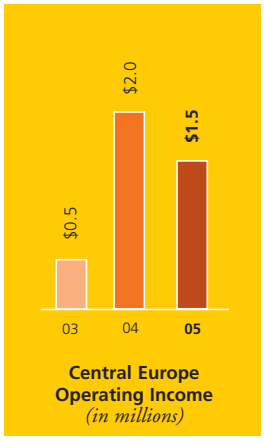
At the same time, we are investing in the capability of our sales team, creating training facilities and adding resources to our sales focus.

Another capital project is the installation of in-line blow molding lines to ensure bottle supply while also lowering our cost of goods.

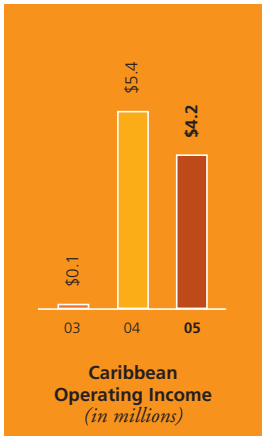
Equally important to achieving balanced top line growth is our success in the growing on-premise channel, with a dedicated sales and management team focused on the acquisition, retention and development of our fountain accounts. In the fast-growing bottles-to-go category, we will leverage our equipment to drive greater non-carbonated penetration and distribution. We are also fully committed to working with school officials to help them encourage healthy lifestyles for our nation's youth. To this end, we support the American Beverage Association's policy recommending that school vending machines offer a variety of nutritious and lower-calorie beverage options.

Our plan for the year ahead is built upon a great portfolio of expanding brands, strong customer relationships, efficient supply chain and extremely capable people working together to **deliver … every day.**

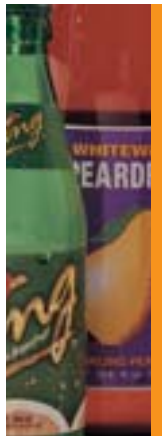
PepsiAmericas' International Operations continued to find new ways to expand its portfolio and increase productivity in a challenging cost environment.



Central Europe Operating Income
(in millions)



Caribbean Operating Income
(in millions)



In 2005, PepsiAmericas' international operations continued its profitability track record. Pricing and volume momentum drove international sales up almost 10 percent to $569.9 million, contributing to operating profits of $5.7 million. We continue to broaden our portfolio, grow our carbonated soft drink (CSD) category, and streamline our cost structure. Our international businesses were challenged in 2005 by significantly higher commodity costs, as well as changing trade dynamics in Hungary and economic softness in Puerto Rico.

We expanded our portfolio and footprint in Central Europe. We continued to find new ways to gain relevance with our customers and consumers in Central Europe. In 2005, we continued the roll-out of Slice to strategically compete with value brands, while gaining share in our core CSD brands in all markets. We also broadened our Lipton Tea and Tropicana offerings throughout our markets, increasing our relevance and anticipating consumers' tastes.

Adding to our line of popular beverages, we formed an alliance with InBev to distribute Beck's beer in Poland, one of the world's fastest-growing beer markets. We are able to reach thousands of our customers with a wider product offering, and also build new relationships with traditional beer customers. In addition, we expanded our Frito Lay snack distribution into Hungary in 2005, adding to our existing distribution in the Czech Republic that began in late 2004.

And while portfolio expansion helped boost revenues, geographic expansion also contributed to our 2005 performance. In June, we purchased 49 percent of the Romanian Pepsi bottler. Romania is important both for its future potential and recent performance, adding $0.04 to our EPS in 2005.

We also found more efficient ways to make, sell, and deliver our products, including the consolidation of production facilities in Poland and Hungary. Managing our costs and leveraging our infrastructure continue to be a key focus in Central Europe.

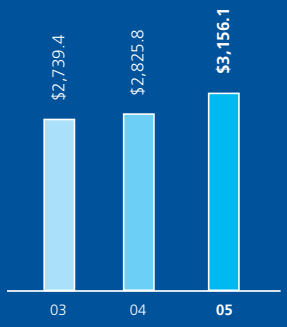
Our Caribbean markets continued to make progress. Our Caribbean operations delivered a solid performance despite an economic slowdown in Puerto Rico and a difficult hurricane season. We grew the top line with volume gains in CSDs and the expansion of our non-carbonated beverages. And we were able to navigate through the significantly higher cost environment, in part, by blowing our own bottles in Puerto Rico.

PepsiAmericas looks ahead. We will continue to look to our international markets as meaningful sources of growth. We will continue to leverage our cost structure to find more efficient ways of delivering value and find innovative ways to expand our portfolio and geographic footprint in our international businesses.

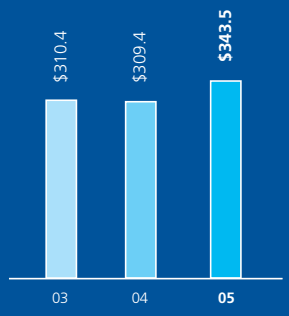
GLOBAL BUSINESS MIX

2005 Worldwide Revenue

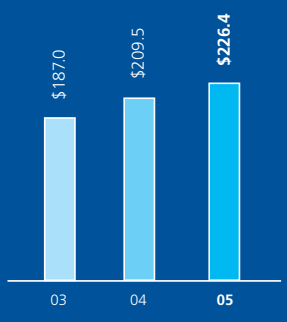
- U.S. 85%
- Central Europe 9%
- Caribbean 6%



U.S. Net Sales *(in millions)*



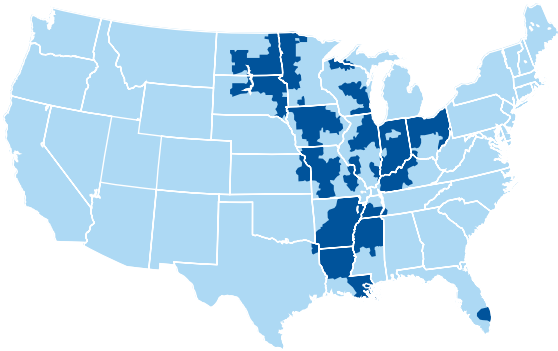
Central Europe Net Sales *(in millions)*

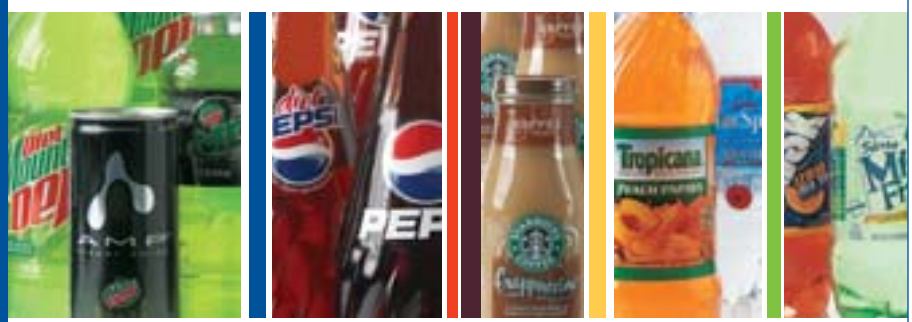


Caribbean Net Sales *(in millions)*

DOMESTIC

PepsiAmericas' U.S. market extends throughout America's heartland including 19 states and accounts for approximately 19 percent of total U.S. Pepsi volume. The majority of our markets enjoy high-share positions.





2005 UNITED STATES

Pricing strength, good cost management and a prudent acquisition drove our operating performance in the United States. We had a solid pricing increase of 3.6 percent and non-carbonated volume growth of 16 percent. In addition, our newly acquired Florida and Ohio territories made a meaningful contribution. We managed higher raw material costs and controlled selling, delivery and administrative expenses to drive an operating income improvement of 16.7 percent to $387.7 million.

2005 U.S. Product Mix

- TM Pepsi 47%
- TM Dew 25%
- CSD Flavors 14%
- Other Non-Carbs 8%
- Water 6%

2005 U.S. Package Mix

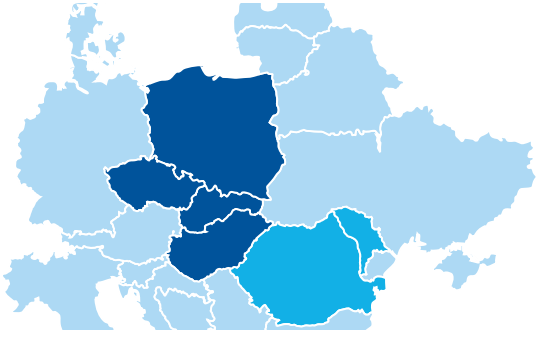
- Cans 59%
- 20 ounce 16%
- Other PET 15%
- 2 liter 10%

2005 U.S. Channel Mix

- Large Format 61%
- Small Format 22%
- On-Premise 17%

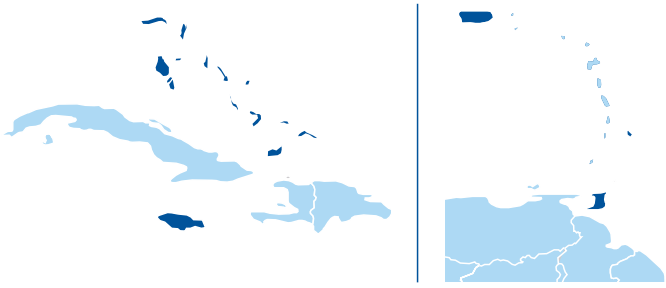
CENTRAL EUROPE

PepsiAmericas operates in four Central European countries: Poland, Hungary, the Czech Republic and Republic of Slovakia. Expanding our geographic footprint, we acquired a 49 percent interest in the Romanian Pepsi bottler in June 2005, which includes distribution rights in Moldova.



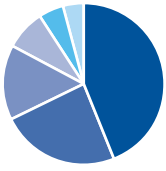
CARIBBEAN

PepsiAmericas operates in five markets in the Caribbean: Puerto Rico, Jamaica, the Bahamas, Trinidad and Tobago and Barbados. Puerto Rico is our largest market representing about two-thirds of our total Caribbean revenue.



2005 CENTRAL EUROPE

Focusing on productivity while expanding our product portfolio drove operating profits of $1.5 million, despite challenges of higher commodity costs and difficult trade dynamics in Hungary. We continued to leverage our infrastructure with the distribution of Frito Lay snacks in Hungary and the Czech Republic, as well as Beck's beer in Poland.



2005 Central Europe Product Mix

- TM Pepsi 44%
- Water 24%
- CSD Flavors 15%
- Slice 8%
- Other 5%
- Juice 4%

2005 Central Europe Channel Mix

- Wholesale 39%
- Small Format 26%
- Large Format 25%
- On-Premise 10%

2005 CARIBBEAN

We grew volume in all markets, strengthened pricing and navigated through higher energy costs and a difficult hurricane season. We upgraded our capabilities to blow our own PET bottles in Puerto Rico to help offset some of the higher energy costs. Our Caribbean operations delivered operating profits of $4.2 million.

2005 Caribbean Product Mix

- TM Pepsi 55%
- CSD Flavors 18%
- TM 7UP 13%
- Other 7%
- Juice 4%
- Water 3%

2005 Caribbean Channel Mix

- Large Format 52%
- Small Format 21%
- On-Premise 14%
- Wholesale 13%

BOARD OF DIRECTORS

HERBERT M. BAUM
Chairman, President and Chief Executive Officer of The Dial Corporation (Retired)

RICHARD G. CLINE
Chairman, Hawthorne Investors, Inc.

PIERRE S. DU PONT
Former Governor, State of Delaware

ARCHIE R. DYKES
Director of Various Corporations

JAROBIN GILBERT, JR.
President and Chief Executive Officer, DBSS Group, Inc.

JAMES R. KACKLEY
Director of Various Corporations

MATTHEW M. MCKENNA
Senior Vice President, Finance PepsiCo, Inc.

ROBERT C. POHLAD
Chairman of the Board and Chief Executive Officer, PepsiAmericas, Inc.

EXECUTIVE OFFICERS

ROBERT C. POHLAD
Chairman of the Board and Chief Executive Officer

KENNETH E. KEISER
President and Chief Operating Officer

ALEXANDER H. WARE
Executive Vice President and Chief Financial Officer

G. MICHAEL DURKIN, JR.
Executive Vice President, U.S. Operations

JAMES R. ROGERS
Executive Vice President, International Operations

ANDRÉ HAWAUX
Senior Vice President, Worldwide Strategy and Corporate Development

JAY S. HULBERT
Senior Vice President, Worldwide Supply Chain

ANNE D. SAMPLE
Senior Vice President, Human Resources

TIMOTHY W. GORMAN
Vice President and Controller

ANDREW R. STARK
Vice President and Treasurer

PEPSIAMERICAS HEADQUARTERS
4000 Dain Rauscher Plaza
60 South Sixth Street
Minneapolis, MN 55402

INTERNET
For corporate reports and news releases, visit our website at: www.pepsiamericas.com

ANNUAL MEETING
Our annual meeting of shareholders will be held at 10:30 a.m. on April 27, 2006 at:
Four Seasons Hotel
120 East Delaware Place
Chicago, IL 60611

INVESTOR RELATIONS/ SHAREHOLDER RELATIONS
Securities analysts and investors, please contact: 612-661-3830

For corporate information, please contact: 847-598-3000

INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS
KPMG LLP
303 East Wacker Drive
Chicago, IL 60601

LEGAL COUNSEL
Briggs and Morgan, P.A.
2200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402

SHAREHOLDER SERVICES/ TRANSFER AGENT
Communications about share ownership, book-entry accounts, dividend payments, transfer requirements, changes of address, lost stock certificates, account status and sale of shares should be directed to:
PepsiAmericas, Inc.
c/o Wells Fargo Bank, N.A.
Shareowner Services
P.O. Box 64854
St. Paul, MN 55164-0854
877-602-7611

For copies of annual reports, Forms 10-K and 10-Q and other PepsiAmericas publications, please contact:
PepsiAmericas, Inc.
4000 Dain Rauscher Plaza
60 South Sixth Street
Minneapolis, MN 55402
Attention: Investor Relations
612-661-3883

COMMON STOCK SYMBOL
PAS

STOCK EXCHANGE LISTING
The New York Stock Exchange is the principal market for PepsiAmericas stock. PepsiAmericas stock is also listed on the Pacific Stock Exchange.

DIVIDEND REINVESTMENT AND ADDITIONAL INVESTMENTS IN PEPSIAMERICAS COMMON STOCK
Wells Fargo Bank, N.A. provides the Shareowner Service Plus Plan for PepsiAmericas shareowners, under which current shareowners may elect to reinvest dividends and/or make optional cash investments in PepsiAmericas common stock. The program also allows cash investments in PepsiAmericas common stock by first-time investors, with a $250 minimum initial investment. Participants may also sell their shares through the Shareowner Service Plus Plan.

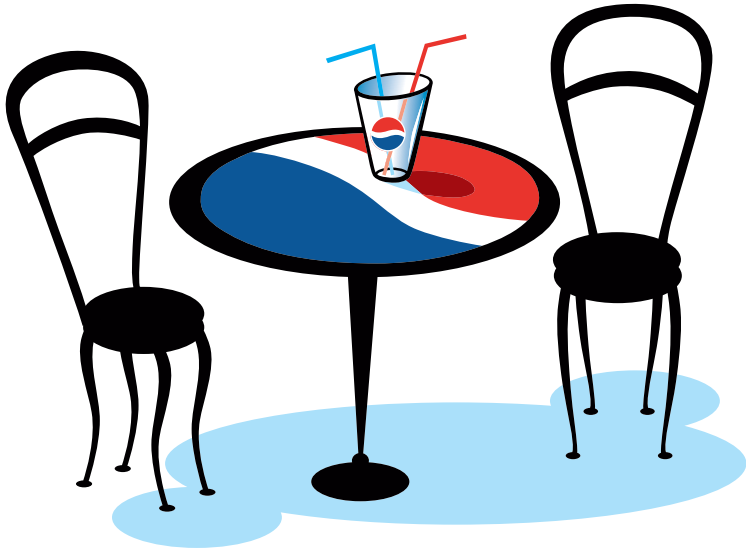
For a brochure and details of the program, please direct inquiries to:
Wells Fargo Bank, N.A.
Investment Plan Services
P.O. Box 64863
St. Paul, MN 55164-0863
877-602-7611

CERTIFICATIONS
Our Chief Executive Officer and Chief Financial Officer have filed the certifications required by the Sarbanes-Oxley Act of 2002 as exhibits to the attached Form 10-K.

Our Chief Executive Officer has certified to the NYSE that he is unaware of any violation by our company of NYSE corporate governance listing standards.

Our Chief Executive Officer has certified to the Pacific Stock Exchange that he is unaware of any violation by our company of Pacific Stock Exchange corporate governance listing standards.

This report contains certain forward-looking statements of expected future developments, as defined in the Private Securities Litigation Reform Act of 1995. The forward-looking statements in this report refer to our expectations regarding continuing operating improvement and other matters. These forward-looking statements reflect our expectations and are based on currently available data, however, actual results are subject to future risks and uncertainties, which could materially affect actual performance. Risks and uncertainties that could affect such performance are set forth under "Risk Factors" in the attached Form 10-K.



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